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INTRODUCTION

The Office of Internal Audit performed an audit of local Family Independence Agency offices' compliance with Decisions of Administrative Law Judges for the period January 1, 1999 through March 30, 2000. Administrative Law Judges hear cases when FIA clients/customers appeal actions taken by their local FIA office or the Medical Review Team, which had a negative impact on them. The Administrative Law Judge issues a Decision and Order which is binding. If the Decision and Order is a reversal of the action taken by FIA, then FIA must comply with the Judge's Order within 10 days from the date Administrative Hearings (AH) mails the Administrative Hearing Order Certification (FIA-1843). Administrative Law Judges issued a total of 177 reversal Decisions and Orders during January and February, 2000.

SCOPE

Our audit included a review of all 177 January and February 2000 reversal Decisions and Orders, a review of a sample of 22 Decisions and Orders reversing FIA action for medical cases for FY 1999, a review of 76 cases that were on the Further County Action Report maintained by Administrative Hearings indicating that action was past due, and 42 cases in eight local and district offices that we selected. We reviewed a total of 317 cases where a Decision and Order reversing FIA was issued. In addition, we visited eight local and district FIA offices to determine if those offices had a process in place to ensure hearing requests were properly recorded and information was on file to document that appropriate action was taken..

EXECUTIVE SUMMARY

Based on our audit, we concluded that Field Operations Administration staff complied with Hearing Decisions and Orders issued by the Administrative Law Judges in most cases. However, we noted that the actions required by the Hearing Decisions and Orders were not taken timely in many cases, and actions were taken on a different case number for the same

client in some cases. In addition, we concluded that the local/district offices had procedures in place to ensure that hearing requests were properly recorded.

AUDITEES' RESPONSE

The Field Operations Administration and Administrative Hearings responded that they are in general agreement with this report, and are in the process of implementing corrective action.

FINDINGS AND RECOMMENDATIONS

Action Taken on Different Case Number

1. For all 22 of the medical assistance cases the worker took the appropriate action based on the Hearing Decision and Order. However, for 8 of those cases the action was taken on a different case number for that same client.

Also, for 11 of the 177 cases from January and February, 2000, the action was taken on a different case number for the same client. In addition, for one of the 42 cases we reviewed at the local/district offices the action was taken under a different case number.

Additionally, we found that the proper action had been taken for 12 of the 76 cases on the Further County Action Needed Report maintained by Administrative Hearings, but the action was taken on a different case number for the same client.

Processing the corrective action on a case number different from the one on which the correction was ordered made it difficult to determine if the action was taken. In addition, this practice could result in duplication of payments or other required corrective actions if a worker does not search for actions taken on additional case numbers.

WE RECOMMEND that Field Operations Administration instruct workers to make the correction on the case number that is on the Hearing Decision and Order.

Action not Taken

2. Field Operations Administration staff had not taken the action dictated by the Hearing Decision for 32 of the 177 reversal decisions issued in January and February, 2000. For 25 of those cases no FIA-1843 was on file at Administrative Hearings to indicate that an action was taken. For 7 cases the FIA-1843 was on file, but there was no evidence of compliance with the Administrative Law Judges's Decision and Order (i.e. payment made, case opened, benefits continued) on the Client Information System (CIS).

Also, for 2 of the 42 cases we reviewed at the local/district offices there was no FIA-1843 on file to document that the action was taken, and for one case the FIA-1843 was on file, but the Supplemental Payment required by the Decision Notice was not made according to CIS.

WE RECOMMEND that the Field Operations Administration implement a follow-up system to ensure compliance with Hearing Decisions and Orders.

Names not Removed from Central Registry

3. In three of the eight cases we reviewed where the Hearing Decision required that the individual's name be expunged from Central Registry, the name was not removed. In all three of these cases the name remained on Central Registry due to prior incidents. Because the Decision and Order were based on only one incident, it is unclear if the name should be removed for just that one incident, or if it should be totally removed.

WE RECOMMEND that Field Operations Administration (FOA) and Administrative Hearings work together to determine if these individuals' names should be totally expunged, and then FOA take the appropriate action.

Incorrect Case Numbers

4. For four cases out of the total 317 the case number associated with the Hearing Decision and Order was not a valid case number on the Client Information System (CIS). The worker cannot take appropriate action without an accurate case number.

WE RECOMMEND that Administrative Hearings ensure that the case number is valid and accurate when issuing a Hearing Decision and Order.

Further County Action Needed Report

5. For 56 of the 76 cases listed on the Further County Action Needed Report, the appropriate action was taken, but was not timely. We noted that compliance with these Hearing Decisions and Orders occurred from 2 to 112 days past the date the action should have been taken.

The other 5 cases were shown as closed with no activity that would indicate compliance with a Hearing Decision and Order. We did not have a copy of the Hearing Decision and Order for these 5 cases, and, therefore we are unaware of what action was required.

WE RECOMMEND that Field Operations Administration take steps to ensure timely compliance with Hearing Decisions and Orders.